LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY**, **MARCH 28, 2006**, upon the application of **CLAYTON WILLIAMS ENERGY**, **INC**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Gray Sand, Reservoir A and the Cotton Valley Formation, Reservoir A,** in the South Sarepta Field, Bossier and Webster Parishes, Louisiana.

- 1. To authorize Applicant to drill, designate and utilize substitute unit wells for GRAY RA SUP and for GRAY RA SUQ at any legal location within 100' of the proposed bottomhole locations.
- 2. To find that each of the proposed substitute unit wells is necessary to efficiently and economically drain a portion of the Gray Sand, Reservoir A, underlying the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.
- 3. To designate Applicant as operator of GRAY RA SUP and of GRAY RA SUQ.
- 4. To establish rules and regulations governing the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A.
- 5. To create two (2) drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such units being designated CV RA SUA and CV RA SUB.
- 6. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each separate tract sharing in unit production on a surface acreage basis of participation.
- 7. To designate an Operator of, and unit wells for, the proposed units as may be appropriate.
- 8. To provide that the future wells drilled to the Cotton Valley Formation, Reservoir A, be located no closer than 330 feet to any unit line and no closer than 2,000 feet to any well completed in, drilling to, or for which a permit shall have been granted to drill to the Cotton Valley Formation, Reservoir A.
- 9. To define the Cotton Valley Formation, Reservoir A, as the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 8,385 feet and 10,040 feet, electric log measurements, in the Kerr-McGee Oil and Gas Onshore, LLC–Browder 26 No. 1 Well (SN 229161), located in Section 26, Township 22 North, Range 11 West, Bossier Parish, Louisiana.
- 10. To consider such other matters as may be pertinent.

The Gray Sand, Reservoir A, is defined in Office of Conservation Order No. 167-F-2, effective November 12, 1974.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

- 5 -<u>SOUTH SAREPTA FIELD</u> 06-299 and 06-300

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH COMMISSIONER OF CONSERVATION

Baton Rouge, La 2/15/06;2/18/06 S dnp

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.